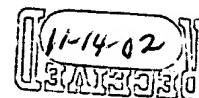


Serial No. 09/201,530

2



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reference. The OnSet™ system contains service provider equipment coupled through an information distribution network to subscriber equipment. This system provides subscribers VCR-like controls to enable a subscriber to select information content, for example, a movie, then play, fast forward, rewind, pause, or stop the selected movie. The subscriber enters control commands through the subscriber equipment and the service provider equipment executes the commands to fulfill the purpose of the command, e.g., play, fast forward, rewind, stop or pause the movie.

On page 8, please replace the paragraph beginning on line 25 with the following paragraph:

FIG. 2 depicts a block diagram of the encoder 200 comprising a broadcast encoder 250 and a storage encoder 252. The broadcast encoder 250 encodes a source video sequence in a conventional manner, i.e., compressing the source video sequence in real-time as the frames are input to the encoder. For example, this encoder may be a high speed encoder such as an 8 Mbps MPEG-2 encoder that accurately encodes such difficult to compress programming such as sporting events.

On page 8, please replace the paragraph beginning on line 34 with the following paragraph:

The storage encoder 252 comprises a first encoder 202, frame subsampler 204, a frame buffer 206, a second encoder 208, and a controller 210. The first encoder 202 encodes a source video sequence in a conventional manner, i.e., compressing the source video sequence in real-time as the frames are input to the encoder 202. The second encoder 208 operating in conjunction with the subsampler 204 and the buffer 206, encodes a subsampled version of the source video sequence to form a fast forward and fast reverse bitstreams (collectively referred to herein as trick play bitstreams or trick play streams). The first encoder (the play stream encoder 202) contains a real-time MPEG-2 encoder that produces an MPEG-2 compliant, compressed video bitstream (a play stream) from a sequence of 601-format video frames. The second encoder (the trick play stream encoder 204) is also an MPEG-2 real-time encoder 212.